BRITISH COLUMBIA
SECRETARIAT
JUL 7 1978
E. L. U. C.
VICTORIA, B.C.

MINISTRY OF CONSUMER AND CORPORATE AFFAIRS ACT

A N N U A L R E P O R T

April 1, 1977

to

March 31, 1978

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HONOURABLE JAMES A. NIELSEN
Minister
Ministry of Consumer and Corporate Affairs
Parliament Buildings
Victoria, B. C.

HONOURABLE MINISTER: I have the honour to submit for your consideration the Annual Report of the Ministry of Consumer and Corporate Affairs under the Ministry of Consumer and Corporate Affairs Act for the year ended March 31, 1978.

Respectfully submitted,

Peter Bazowski
Deputy Minister
Ministry of Consumer and Corporate Affairs

April, 1979

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To the Honourable Henry P. Bell-Irving, D.S.O., O.B.E., E.D.,
Lieutenant-Governor of the Province of British Columbia

MAY IT PLEASE YOUR HONOUR:

I have the honour, Sir, to respectfully submit herewith the Annual Report of the Ministry of Consumer and Corporate Affairs under the Ministry of Consumer and Corporate Affairs Act for the year ended March 31, 1978.

James A. Nielsen
Minister
Ministry of Consumer and Corporate Affairs

April, 1979

INTRODUCTION

In 1977/78, the Consumer Affairs Program was re-organized into three new branches: Education and Information; Operations; and Enforcement.

A "test-shopping" program was initiated, to spot-check car and appliance repairmen by anonymously testing their services.

The Motor Dealers Licensing Act received Royal Assent on September 1, 1977, and the Travel Agents Registration Act was proclaimed on November 23, 1977. Parts of Section 13 of the Consumer Protection Act were proclaimed in October, 1977.

In the Corporate Affairs Program, the new Societies Act was proclaimed in January, 1978. A study of capital markets and the Vancouver Stock Exchange was initiated. Four policy proposals (draft bills) were circulated to the private sector for input, as follows:

1. "A Proposed Bill to Regulate Commodity Contracts Trading."

2. "A Proposed Bill to Regulate Co-operative Associations."

3. "A Proposed Bill to Amend the Partnership Act."

4. "A Proposed Bill to Regulate Registration of Business Names."

The Corporate program was re-organized into the following offices: Superintendent of Credit Unions, Co-operatives and Trust Companies; Superintendent of Brokers, Insurance and Real Estate; and the Registrar of Companies.

In Liquor Control and Licensing, amendments were made to the Act and Regulations, to promote moderation in the use of alcohol, and to support B. C.'s wine industry.

The Residential Tenancy Act was proclaimed, updating and replacing the old Landlord and Tenant Act.

CONSUMER CREDIT AND DEBTOR ASSISTANCE BRANCH

The activities of the Debtor Assistance Branch were expanded in January 1978, to include all aspects of consumer credit. This is the first time in Canada that an administrative agency has attempted to administer the whole spectrum of credit legislation -- including laws affecting credit advertising, disclosure, contracting, collecting, and the prevention and rehabilitation of individual financial casualties.

The Consumer Credit and Debtor Assistance Branch administers the following statutes:

1. Debtor Assistance Act -- provides relief and rehabilitation to debtors.

2. Debt Collection Act -- requires that debt collectors meet certain financial and personal requirements before they can be licensed; protects debtors from harrassment by collectors.

3. Consumer Protection Act -- requires disclosure of credit costs and terms to consumers.

4. Orderly Payment of Debts (Part X, Bankruptcy Act) -- gives authority to two clerks of the Court within the Branch to administer Part X of the federal Bankruptcy Act.

5. Personal Information Reporting Act -- ensures access to, and accuracy of, consumers' credit files.

ACTIVITIES: April 1, 1977 - March 31, 1978

1. Total receipts and disbursements:

	1977/78	
MONTH	OPD	DAB
April	$ 87,669.89	$36,446.91
May	99,261.60	15,753.90
June	104,633.10	35,486.00
July	102,006.29	23,899.29
August	97,503.00	22,321.00
September	100,120.00	26,632.00
October	106,777.00	26,229.00
November	115,862.00	20,865.00
December	82,800.00	26,194.00
January	91,035.00	13,407.00

MONTH	1977/78 OPD	DAB
February	98,038.00	17,092.00
March	123,488.00	37,396.00
	$1,209,193.88	$301,722.10

There was approximately 3.4 billion dollars of reported consumer credit outstanding in British Columbia as of the first quarter of 1978. This amounts to over $1,416.00 for every man, woman and child in the province and represents approximately 22% of all disposable income (after tax income).

2. Case Load

	New Clients	Re-Interviews/ Updates	Total Interviews
April	243	170	413
May	282	179	461
June	258	186	444
July	192	121	313
August	224	154	378
September	214	146	360
October	249	153	402
November	235	137	372
December	211	83	294
January	168	83	251
February	215	165	380
March	253	59	312
Totals	2744	1636	4380

OPERATIONS BRANCH

Note: The Operations Branch was created in January 1978. Prior to that date, the Operations function was handled by the Trade Practices Branch.

The Operations Branch provides:

1. Mediation and information services to consumers, from Consumer Centre offices in Victoria, Vancouver, Kamloops and Prince George.

2. Regulation of five industries:

   (a) Film classification
   (b) Travel agents/wholesalers
   (c) Motor Dealers
   (d) Cemeteries and crematoria
   (e) Reporting agencies (Personal Information Reporting Act)

ACTIVITIES: April 1, 1977 - March 31, 1978

1. Consumer Rebates in fiscal Year 1977/78

April/77	$ 77,969.63
May	100,120.51
June	113,814.48
July	44,250.28
August	136,983.61
September	62,515.48
October	103,458.53
November	75,037.97
December	73,551.98
January/78	76,619.17
February	51,821.17
March	93,087.65
Total	$1,009,230.46

2. Film Classification

Film classification is mostly concerned with the consumer right of disclosure. Films are assigned one of three categories: general, mature, or restricted (to persons over 18); and warnings of violence, coarse language, etc. are assigned.

Film Statistics

1.	Number of subjects submitted for approval 35MM	633
2.	Number of subjects submitted for approval 16mm	98
3.	Number of short subjects (under 4,000') submitted for approval 35mm	133
4.	Number of short subjects (under 1,600') submitted for approval 16mm	41
5.	Number of arcade films submitted for approval	339
6.	Total number of films viewed 1977	1239
7.	Total number of films viewed 1976	980
8.	Total number of films viewed 1975	898

3. Travel Agents Registration

Because this industry primarily sells pre-paid services, the consumer may find the services paid for but not available, and the travel agent or wholesaler bankrupt; or the consumer may have to pay a second time for services already paid to the travel agent.

The Travel Agents Registration Act obliges travel agents or wholesalers to register and to contribute to the Travel Assurance Fund. The Fund is available to re-imburse consumers.

- The first case investigation was instigated against Traveleers Tours, resulting in an "Order to Refrain from Dealing with Assets."

- The Travel Agents Registration Act came into force (February 21, 1978). As of this date, 468 travel agents/ wholesalers were registered.

  As of fiscal year-end (March 31, 1978), travel agents/ wholesalers were registered under the Act. The Travel Assurance Fund held $203,300., and the Revenue Account $7,100.

4. Motor Dealers

The Motor Dealers Licensing Act received Royal Assent on September 1, 1977.

5. Cemeteries

Cemeteries are perhaps the only industry that offers a perpetual service -- the maintenance of the surface of a lot forever.

Cemetery sales are also often made before the consumer's death.

The consumer needs some assurance that the operator will not abscond with the consumer's funds or go bankrupt.

Cemeteries in British Columbia are operated by:

- municipalities	139
- churches	123
- commercial	9
- fraternal	30
- ethnic	19
- family	51
- other	176

6. Reporting Agencies

All credit bureaus and others who sell personal information must be licensed under the Personal Information Reporting Act.

In 1977, 10,127 consumers examined their files at B. C. credit bureaus, as permitted by the Act.

ENFORCEMENT BRANCH

Note: In January, 1978, the Trade Practices Branch was divided into two separate components: the Operations Branch and the Enforcement Branch.

The Branch takes formal enforcement proceedings (civil or "quasi-criminal") when consumer laws such as the Trade Practices Act or the Consumer Protection Act have been broken.

ACTIVITIES: April 1, 1977 - March 31, 1978

1. Because of the number of complaints received in connection with repairs to motor vehicles and television sets, a pilot test program was carried out in these areas.

   Under the guidance of technical experts, simple faults were introduced into an otherwise perfectly working motor vehicle or television set which was then presented for repair. The tests were designed to identify dishonest repairers -- as opposed to those who were inefficient or not sufficiently trained.

   These tests resulted in six out of twenty-four motor vehicle repairers being classified as dishonest; eleven out of eighteen television repairers fell into the same category. In the television repairs, not only were consumers charged for work which was not done or for parts which had not been replaced, but in some cases the unnecessary parts which were used in the repair were not new and not functioning properly.

   The testing will continue in the coming year and enforcement action will be taken as appropriate.

2. Two individuals launched a scheme whereby a selective mailing was directed at mainly professional people who were invited to buy a variety of items at extremely low prices. The claim that these goods were stored in a Vancouver warehouse was found to be false, and the pamphlets and flyers which were used bore a strong resemblance to those used by another supplier from eastern Canada who left the country with a number of outstanding obligations and dissatisfied consumers. The monies mailed to these two individuals were frozen, and ultimately returned to the British Columbia consumers concerned.

3. In a similar case arising from a promotion in 1976, a supplier used the fictitious name of a Switzerland-based organization to promote personal financial opportunities. We were able to trace and interview this promoter, who signed a disclaimer allowing the proceeds (which had been the subject of a freeze order under the act) to be returned to consumers.

4. The first successful prosecution under the act saw a supplier fined $200 for failure to give equal prominence to the total price in an advertisement.

5. A number of cases resulted in the Director taking substitute proceedings for consumers or defending proceedings brought against them.

   In one case, a motor vehicle dealer sold two vehicles which had sustained substantial accident damage, without disclosing that damage to the purchasers.

   Each consumer received an acceptable settlement, and an Assurance of Voluntary Compliance was signed indicating that there would be no repetition.

6. A supplier engaged in the itinerant sale of encyclopedias was the subject of a suit brought jointly by the Consumers Association of Canada (B.C. Branch) and the Director of Trade Practices. This supplier was required to modify its sales procedures as a result of a judgment handed down on March 9, 1977.

   This case was reopened at the request of the supplier, and in a subsequent judgment the judge declined to specify procedures to be adopted by the supplier when salesmen first make contact with consumers. However, the remaining features of the first judgment remained in tact.

EDUCATION AND INFORMATION BRANCH

Note: The Community Programs Branch (consisting of the Communications Division; Information and Education; Trade Liaison: Research; and a Funding ard Training Program) was re-organized, beginning on January 1, 1978. At that time the branch was re-named the Education and Information Branch. The Funding and Training Program was transferred to the office of the Assistant Deputy Minister, Consumer Affairs Program. (Research will be transferred, April 1, 1978 to a new Policy and Planning Branch).

The Branch is responsible for explaining laws and policy, providing advice and circulating warnings to the public. This is done through public speaking engagements, news releases, enforcement reports, radio and television appearances, newspaper interviews, etc. Information officers also look after advertising and general public relations programs for the Ministry as a whole.

Resource centres, located in the Ministry's storefront offices around the province, provide books, magazines, clipping files, and consumer product reports, to help consumers make more informed decisions in the marketplace. Also, consumer education kits are provided for teachers to use in classrooms across the province.

The Trade Liaison Division keeps the business community up to date with guidelines and bulletins on consumer legislation. This division is an important channel through which business can make its views known to the Ministry.

A special Trade Liaison team monitors newspaper, radio and television advertising; questionable ads are followed up by telephone and letters.

The Research Division prepares technical reports on current and anticipated issues, and participates in long-term studies, often in co-operation with other provinces and the federal government.

ACTIVITIES: April 1, 1977 - March 31, 1978

1. The following publications were printed and distributed from April 1, 1977 to March 31, 1978:

   a) "Debts, Debts, Debts" (Debtor assistance brochure)

   b) "Law and the Marketplace" (Teacher's kit)

   c) "Consumer Centre" (Teacher's kit)

d) "Motor Dealers Guidelines" (Trade Liaison bulletin)

e) "Motor Dealers Directory/78" (Directory of all dealers)

f) "Program Directory" (Description of the Ministry's activities.)

g) "Failure to Disclose Substantial Damage" (Trade Liaison bulletin)

h) "A Proposed Bill to Regulate Commodity Contracts Trading" (draft bill)

i) "A Proposed Bill to Regulate Co-operative Associations" (draft bill)

j) "A Proposed Bill to Amend the Partnership Act" (draft bill)

k) "A Proposed Bill to Regulate Registration of Business Names" (draft bill)

2. Thirty-eight news releases were researched, written and distributed, with an average distribution of 1200 copies.

3. Four enforcement reports (#'s 16, 17, 18, 19) were issued.

4. The 1978 Christmas advertising campaign consisted of a radio message ('Twas the Night Before Christmas), and posters in liquor stores and buses.

   In January and February, radio ads explaining travel agents' registration and debt collection practices were aired. Newspaper ads supplemented the travel agents' campaign.

5. The Research Division participated in researching and producing a draft Housing Disclosure Statement. Work was also done on the Corporate Division's Study of Capital Markets (in conjunction with the Ministry of Economic Development).

6. Distribution Statistics for April 1, 1977 - March 31, 1978 were as follows:

a)	Letters/Requests:	2,582
b)	Acts:	13,420
c)	Brochures:	40,535
d)	Teacher's Kits:	2,412
e)	Education Materials:	7,136

f)	Advertising Guidelines:	1,984
g)	Motor Dealer Guidelines:	3,241
h)	Special Kits:	1,064
i)	New legislation mailings:	6,426
j)	Accessions Lists	1,616
Total		77,834

SUPEPINTENDENT OF BROKERS, INSURANCE AND REAL ESTATE

The Superintendent acts as a regulator concerned with protecting investors. He also contributes to the optimization of the economy of British Columbia by encouraging operating efficiency in the capital markets, stimulating individual investment in securities, monitoring the marketplace in real estate and insurance transactions, and regulating commodity futures trading.

All of the legislation administered by the Superintendent is regulatory in nature. This legislation, in combination with the rules promulgated and applied by a variety of national and provincial self-regulatory organizations, protects the public interest, socially and economically, in both the short and long term.

ACTIVITIES: April 1, 1977 - March 31, 1978

1. In 1978, the Debt Collection Act was transferred to the consumer side of the Ministry.

2. Registrations:

(a)	Securities Act	1211
(b)	Mortgage Brokers Act	1067
(c)	Investment Contracts Act	5

3. Licences issued:

(a)	Insurance Act	8024
(b)	Real Estate Act	14472
(c)	Debt Collection Act	626

4. Vettings and filings:

(a)	Securities Act (Prospectuses vetted and accepted)	264
(b)	Real Estate/Strata Titles Acts	
	i) Subdivisions vetted and accepted	1016
	ii) Strata Plans approved	668
	iii) Statements of Material fact vetted and accepted	83

5. Hearings:

(a)	Before the Superintendent	62
(b)	Before the Corporate and Financial Services Commission	8

6.	Rulings and Orders:	
	(a) Securities Act	957
	(b) Real Estate Act	1
	(c) Societies Act	115
7.	Suspensions/Cancellations:	
	(a) Securities Act	8
	(b) Mortgage Brokers Act	58
	(c) Statements of Material Fact	1
8.	Investigation Orders/Investigations:	
	(a) Complete	161
	(b) Under way	76
9.	Prosecutions:	
	Total (Securities Act, Criminal Code, Mortgage Brokers Act)	12
10.	Revenue:	
	(a) Securities Act/Mortgage Brokers Act	$159,681.00
	(b) Real Estate Act	$236,404.27
	(c) Insurance Act	$473,035.24
	(d) Debt Collection Act	$ 22,725.50
	(e) Miscellaneous	$ 7,115.55

CREDIT UNIONS, CO-OPERATIVES AND TRUST COMPANIES BRANCH

1. CREDIT UNIONS

This Section administers the Credit Unions Act, which permits the incorporation and continuing operation of credit unions. Each credit union is an autonomous unit, accepting deposits from, and making loans to, its members. Each member has an equal say at the annual meeting.

The Act provides for the incorporation of central credit unions, which serve credit unions as a depository for their statutory liquid reserves and other surplus funds, and as a source of credit to enable individual credit unions to meet the credit demands of their members.

There are in the province over 170 credit unions with a total of some 280 branches and accounting for nearly $3 billion dollars of assets. This is a sizeable chunk of the capital market and is a far cry from the small poverty-stricken credit union system of forty years ago. The size and impact of credit unions today has placed the institution in line after the Chartered banks, insurance companies and trust companies as a source of capital for development.

The Act also provides for the establishment of the Provincial Credit Union Share and Deposit Guarantee Fund. This Fund is administered by the Credit Union Reserve Board and undertakes to provide individual credit union members an unlimited quarantee as to amount on deposit and shares in credit unions.

The credit union section, under the direction of the Superintendent of Credit Unions, annually inspects every credit union office in the province. This inspection covers not only the books and records of the credit union, but the overall operation of each office.

In addition to the annual inspection by the Superintendent, each credit union is required to employ an independent auditor to prepare financial statements.

In 1977, assets of all credit unions in B.C. increased by 40.5 per cent over 1976.

Total credit union membership in B.C. increased by 16.6 per cent in 1977 compared with the 12.2 per cent increase for 1976.

There were 173 credit unions operating in British Columbia in 1977.

2. CO-OPERATIVES

The Co-operatives section of the Credit Unions, Co-operatives and Trust Companies Branch processes and approves applications for new co-operative associations, monitors the progress of co-operatives by review of annual reports, attends to complaints from co-operative members and the general public and ensures that co-operatives comply with the requirements of the Co-operative Associations Act.

It is public policy to ensure that persons who wish to establish and operate associations according to non-profit co-operative principles are provided with a suitable framework in which to do so. These persons are encouraged to participate in this unique manner within the economy of our society by being accorded the privilege of limited liability, whilst the public in enabled to deal with established legal entities distinct from the persons temporarily holding membership in these entities.

Co-operatives are taking an increasing share in the economic activity of our province in a variety of areas, and this trend follows a tendency now widespread throughout the world. Co-operative principles ensure that the benefits of business activity accrue directly and specifically to those participating in the business rather than to outside investors. This concept is particularly appropriate in such areas as agriculture and fishing, and in view of its significance to the economy as a whole, necessarily receives its share of government attention and regulation.

ACTIVITIES:

During the period April 1, 1977 through March 31, 1978, the following new co-operatives were incorporated:

Producer	2
Consumer	6
Service	2
Housing	7
	17

3. TRUST COMPANIES

The function of this section is to monitor the financial activities of trust companies in so far as their activities affect depositors and trust beneficiaries in this province. There are 43 Trust Companies registered in the Province as follows:

27 with operating branches with an overall total of 86 branches.

13 do not have operating branches, but are represented by an attorney who may be either a practicing solicitor or accountant or even a limited liability company.

3 other companies have limited registration under S.33 of the Trust Companies Act.

The head office in B.C. of each trust company is inspected once annually and each branch is inspected at least once every three years. There has been an increasing trend of agency development, and this is likely to increase within the next year or two.

REGISTRAR OF COMPANIES OFFICE

The Registrar of Companies is responsible for the administration of all matters relating to the filing of corporate documents required by the British Columbia Companies Act and other related statutes. The office maintains a complete corporate file on all B.C. Companies, Extra-Provincial Companies registered in B.C., B.C. Co-operatives and Extra-Provincial Co-operatives, Partnerships, both limited and general, Societies and Trust Companies operating within the Province.

The office also maintains files on special act companies, library commissions, railroads, savings and loan associations and cemeteries.

The corporations registered are distinguished by limited liability and eternal existence as long as the requirements of the various statutes under which they were incorporated or registered are met.

The new Partnership Act also provides for a Limited Partnership which gives limited liability to the limited partner.

One of the requirements common to B.C. Companies, Extra-Provincial Companies and Societies is the filing of an Annual Report bringing vital business information up to date at the office.

There are similar filings made by the various special act companies if their statutes so require.

ACTIVITIES: April 1, 1977 - March 31, 1978

1. There was a general increase of approximately 10% over last year in gross incorporations and filings.

2. The Companies Office continued its program of education and information by issuing information packages on the new Societies Act, giving talks to Bar Associations and publishing administration procedures in bulletins and periodicals. Staff training was continued on an on-going basis covering all matters relating to the operation of the office, filing of documents and making information available to the public. A course for paralegals is being planned to give the requirements for filings and reduce the rejection rate of documents received.

2. Incorporations and Registrations:

a) B.C. Companies	13,257
b) Extra-Provincial Companies	845
c) Extra-Provincial Trust Companies	3
d) Partnerships	2,644
e) Co-operatives	17
f) Societies	752
g) Change of Name (Companies)	2,214
h) Change of Name (Societies)	77
i) Amalgamations	102
j) Continuations - 37A*	38
k) Continuations - 37B*	26

*(Statistics commenced January, 1978)

3. Total Encumbrances and Other Filings:

a) Mortgages "Companies Act"	24,931
b) Assignment of Book Accounts	8,111
c) Bills of Sale	5,606
d) Conditional Bills of Sale	10,762
e) Releases	6,352
f) Appointments of Receiver*	79
g) Mortgages "Societies Act"*	5
h) Total Encumbrances	55,826
i) Change of Objects - Societies	120
j) Certificates - Good Standing	3,423
k) Certified Copies	6,013
l) General Searches	141,309

*(Statistics commenced January, 1978)

4. Dissolutions, Restorations and General Filings:

a) Companies Act Dissolutions	5,387
b) Society Act Dissolutions*	678
c) Companies Act Restorations	140
d) Roll-overs	1,481
e) General Filings	160,010

*(Statistics commenced January, 1978)

5. Total revenue generated by the Companies Office was $3,777,672.71.

6. Because of the rapid increase of incorporations and filings, along with some 16 million documents already at the Companies Office, a program of microfilming will be started immediately to reduce the number of records to useable size.

7. To serve the staff of the Companies Office as well as the user, the basic corporation records will be computerized on an active on-line system and will be instantly accessible from terminals even in remote areas of the Province. This will facilitate the speed of doing business with companies and partnerships.

LIQUOR DISTRIBUTION BRANCH

The provincial government has been distributing liquor for more than half a century. The advantages of this single distribution system to consumers are several:

- It provides equitable service, at the least cost, to all residents in this province, while returning the maximum revenue to the general revenues of government.

- A single distribution system is the most economical with savings arrived at through such things as bulk purchasing and consolidated shipping.

- B.C. citizens are assured of being charged the same price no matter where in the province they shop

- Citizens have a wider choice of listings throughout the province. Service is provided in a number of uneconomical areas for public convenience rather than straight economics.

The provincial government recognizes that the biggest social problem facing citizens is the abuse of drugs, including alcohol. Consequently it is government policy to promote moderation in the use of alcohol, through encouraging consumption of lower alcohol products and through various public education programs.

Government policy also favours the B.C. Grape and Wine industry because of the benefits to the provincial economy that come from helping a local industry to grow and improve.

The Liquor Distribution Branch is responsible for all the physical operations connected with liquor distribution in British Columbia. Its goal is to provide liquor to the people of British Columbia on a business-like basis while constantly bearing in mind all the social and legal responsibilities connected with liquor.

The LDB sells more than 1400 products, (wines, beers, and spirits) through more than 200 government liquor stores situated throughout the province. Also, service is provided to inhabitants of remote or outlying areas through the appointment of more than 50 responsible shopkeepers as agents for the Branch. These shopkeepers have a two year renewable contract to sell a selection of representative liquor products.

The LDB is responsible for maintaining inventories of products based on consumer demand. New products are introduced

based on quality, potential sales and relative value to the consuming public. Correspondingly, poor performing brands which do not meet consumer acceptance are removed from the full list in order to permit space for new entries. The process of listing and delisting using the above criteria takes place on an ongoing basis in order to maintain products that are acceptable to the consumer.

The Branch opened its first Specialty Stores in 1975, in order to provide premium and rare wines in addition to a number of gift items. All liquor stores have an up-to-date list of products sold in the specialty stores. Contents of these stores can be ordered by consumers from any liquor store in the province.

Consumers who wish to order liquor products not available in B.C. liquor stores may do so through a Special Order. Details on Special Order processing are available from the Special Order department at the LDB head office or from liquor stores.

The Branch is responsible for pricing products and adjusting prices based on changes in shipping costs, currency values and prime cost from suppliers, among others. At predetermined times of the year, prices for specific products are increased or decreased based on the above factors.

The LDB employs around 3,000 full-time and part-time staff. Since the major strength of any retail organization comes from its people, the LDB provides a range of educational programs for staff to increase job related skills and to provide staff with a better understanding of the products they sell.

ACTIVITIES: April 1, 1977 - March 31, 1978

1. Summary of "Balance Sheet, as at March 31, 1978"

ASSETS

Current Assets	$36,949,082.00
Fixed Assets (at cost, less accumulated depreciation)	1,534,304.00
Total Assets	$38,483,386.00

LIABILITIES

Current Liabilities	$34,452,780.00
Working Capital Advance	4,030,606.00
Total Liabilities	$38,483,386.00

2. Summary of "Statement of income, year ended March 31, 1978"

Sales		$487,056,243.00
Other Income		1,901,524.00
Provincial Malt Levy		11,594,424.00
Transfer of Prior Year's Reserve		1,050,500.00
Total		$501,602,691.00
Less:		
Cost of Merchandise Sold	$276,694,094.00	
Operating Expenses	51,367,000.00	
	$328,061,094.00	
Total Expenses:		$328,061,094.00
Transferred to Province of British Columbia		$173,541,597.00

THE OFFICE OF THE RENTALSMAN

The Rentalsman has jurisdiction over all rental matters in British Columbia, including:

- the disposition of disputed security deposits
- summary termination of tenancies where serious behavioural defaults have occurred.
- disputes concerning just cause for termination
- the right to possession of rented residential premises
- contractual rights and obligations
- the disposition of abandoned chattels

To date, the Rentalsman has resolved approximately 35,000 cases brought to his attention by landlords and the renting public.

ACTIVITIES: April 1, 1977 to March 31, 1978

1. The Landlord and Tenant Act was repealed and replaced by the Residential Tenancy Act (October 21, 1977). The new Act is not conceptually different from its predecessor, but reflects many administrative changes and other "housekeeping" changes.

2.	Case files opened	11,717
3.	Telephone inquiries received	246,177
4.	Personal visits	10,907
5.	Inspections	1,515

RENT REVIEW COMMISSION

The Rent Review Commission administers rent controls in British Columbia. All matters concerning rental rates and rent increases are under its jurisdiction.

ACTIVITIES: April 1, 1977 to March 31, 1978

1. During 1977, recommendations for improvements to the Landlord and Tenant Act were received from landlord organizations, tenant organizations, and the general public. The Rent Review Commission presented recommendations to the government on improvements to the rent control sections of the Act.

   The government, after also receiving recommendations from the Rentalsman, introduced and passed the Residential Tenancy Act. The Act was proclaimed on November 1st. It contained provisions for the gradual removal of the general rent control system, replacing it with a limited tenant appeal provision. The 10.6% rent increase limit was reduced to 7%, retroactively to May 1st. There were numerous other changes to improve the administration and flexibility.

   To explain the provisions of the new legislation, there was a substantial advertising campaign, numerous public meetings, and a brochure prepared for mass mailing. The Commission was frequently contacted by members of the media.

2. Throughout the year, exchanges of information on rent control and decontrol were carried on with similar government departments in most of the provinces.

3. The Commission hired a senior research officer in 1977 and conducted substantial research of the rental market and rent controls -- including a major study of increases in apartment operating costs, and a study of trends in rent increases. In 1977 both operating cost increases and rent increases were less than in 1976. Vacancy rates in major cities, although still relatively low, were the highest in 5 years.

4. The Rent Review Commission was given a budget of $439,358.00 for the fiscal year 1977/78. An additional $98,722.00 was granted to compensate for additional advertising and administrative expenses associated with the new Residential Tenancy Act. It is estimated that actual expenditures will be approximately $50,000.00 under the allotted.

The Rent Review Commission processed the following volumes for the 1977-78 fiscal year:

Disputes and Inquiries	
Walk-in Inquiries	1,466
Telephone Inquiries	24,952
Mail Received	19,376
Letters and Orders Sent Out	22,427
Notice of Rent Increase Forms Received and Processed	108,936
Applications for Additional Rent Increases Received	
Residential Buildings	
Applications Received	350
Applications Approved	231
Applications Denied	64
Applications Withdrawn	14
Applications Pending	41
Mobile Home Parks	
Applications Received	25
Applications Approved	19
Applications Denied	2

LEGAL SERVICES BRANCH

Increasingly the activities of the Ministry concern the preparation of new laws and the administration of existing ones.

The Ministry of Consumer and Corporate Affairs administers more than 42 pieces of legislation and countless regulations.

This Branch provides legal services to the rest of the Ministry. More specifically, it provides advice and legal interpretation to all those whose job it is to perform the functions assigned to them. The need for new legislation or for changes to existing legislation are summarized, and in many cases made the subject of legislative bills or amendments to be introduced by the Ministry. In addition, the Legal Services Branch is responsible for providing advice for those charged with enforcing the laws administered by the Ministry. Although civil litigation capacity is somewhat limited, this situation should improve in the future and more cases will be taken directly by Legal Services. At present much enforcement work is assigned to lawyers practicing in the community concerned.

The consumer portion of the Ministry invites complaints from the public. Invariably, many problems brought to the attention of the Ministry by consumers are of a legal nature and require legal advice. In addition, the debtor assistance role performed by the Ministry means that individuals with debt problems seek advice and assistance. Again, many debt problems also involve legal problems. To assist in recognizing legal problems and solving as many of these as possible, the Legal Services Branch has assisted in the training of Ministry para-legals in order that these problems are dealt with promptly and efficiently.

At present the Ministry of the Attorney-General has assigned three lawyers to the Ministry of Consumer and Corporate Affairs to provide the required legal services. From their specialization in the areas concerned, the members of the Legal Services Branch develop an expertise which might not be generally available if the Ministry had to rely exclusively on the legal profession generally.

PERSONNEL SERVICES BRANCH

Due to the increasing size of the Ministry, the Personnel Services Branch was formed this year to oversee all personnel functions, including recruitment of all new employees, job evaluation and organization analysis, labour relations, staff training and development, and employee relations. A major role of this office will be to continue providing assistance and advice to the senior managers on the evaluation of their organization's structures as they relate to the goals and objectives of their particular Branch.

ACTIVITIES: April 1, 1977 - March 31, 1978

During the past year, 80 regular employees were hired by the Ministry in positions ranging from clerk to Assistant Deputy Minister. The turnover rate for the Ministry was 16%, most of which was due to transfers and resignations. There were no retirements or deaths during this fiscal year. The establishment of the Ministry increased by 14 to 416. The number of total sick days lost amounted to 1.4 man-years.

ADMINISTRATIVE SERVICES BRANCH

The Administrative Services Branch provides central services to all programs of the Ministry. These central services are as follows:

1. Co-ordination of Ministry budget, budget control, accounting for revenues and expenditures. Processing of accounts payable.

2. In co-operation with the Purchasing Commission and the office of the Queen's Printer, acquisition of office supplies and office furniture and equipment.

3. In co-operation with the Building Corporation of British Columbia, provision of adequate office space for all Ministry programs.

4. Provision of other services of a miscellaneous nature that may be required from time to time.

Note: The above does not include the provision of Personnel Services.

ACTIVITIES: April 1, 1977 - March 31, 1978

Salaries	over $5.5 million dollars
Office Expenses	over $500,000
Office Furniture and Equipment	approx. $76,000
Materials and Supplies	approx. $39,000
Acquisition of Motor Vehicles	approx. $39,000
Building Occupancy Charges	approx. $783,000
Total Expenditures, including miscellaneous expenditures not itemized above	approx. $8.6 million dollars